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EXERCISES SESSIONS 8

The topic of this lab session and the following one is the estimation of Nested Logit (NL) and Cross-Nested Logit (CNL) models. You can choose among two datasets, *Swissmetro* and *Residential Telephone Services*.

We suggest that you start by estimating different specifications of NL model. How can you test if the nesting structure is appropriate? What are the assumptions on the nesting coefficients?

Continue by estimating different specifications of the CNL model. Estimate with fixed and unknown  $\alpha$ 's.

We refer to the BIOGEME tutorial (available on the course web site) for indications of how to specify the models.